

United States Government

Department of Energy



Memorandum

DATE: September 25, 2003

REPLY TO: IG-36 (A03SR035)
ATTN OF:

Audit Report No.: OAS-L-03-22

SUBJECT: Audit of Relocation of Administrative Personnel from A-Area to B-Area at the Savannah River Site

TO: Jeffrey M. Allison, Manager, Savannah River Operations Office

INTRODUCTION AND OBJECTIVE

In an effort to reduce operating costs at the Savannah River Site, the Savannah River Operations Office (Operations Office) is currently moving most of the Federal and Westinghouse Savannah River Company, LLC (Westinghouse) administrative personnel from Building 703-A to Buildings 730-B and 730-1B. Also, in order to make room for Federal employees moving in, about 330 Westinghouse employees within Building 730-B were relocated and, to accommodate these employees, about 430 additional Westinghouse employees had to be relocated within their current buildings. The Operations Office plans to complete the move by the end of Fiscal Year (FY) 2003 at an estimated cost of \$1.3 million.

The objective of this audit was to determine whether the relocation of personnel from A-Area to B-Area is cost-effective.

CONCLUSIONS AND OBSERVATIONS

Neither the Operations Office nor Westinghouse has prepared an adequate cost analysis to demonstrate how much, if any, savings could be achieved. Without an adequate cost analysis, the Department has no assurance that the cost of the move will be recouped within a reasonable period of time.

Operations Office management stated that the Department would save about \$1.1 million annually through reductions in utility and maintenance costs for Building 703-A. However, the documentary evidence provided by management to support the savings did not take into account all associated costs. For example, the relocation plan does not call for Building 703-A to be completely vacated. Therefore, there will be continuing costs associated with maintaining the partially occupied building. These costs include surveillance and maintenance, fire safety, pest control, and utilities. No analysis has been performed to determine the magnitude of these continuing costs.

Also, management did not estimate the full cost of relocating employees from one building to another. For example, some costs not included were services of packers and movers; removal and reinstallation of communications and computer equipment; reconfiguration of

walls and offices; modifications to lighting, heating, venting, and air conditioning systems; and reductions in worker productivity during relocation activities.

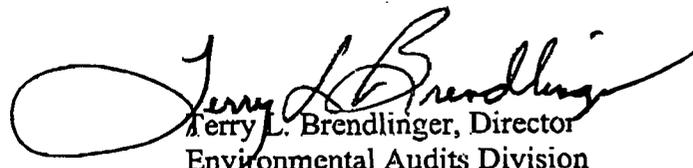
SCOPE AND METHODOLOGY

The audit was performed between April 15 and June 3, 2003, at the Savannah River Site in Aiken, South Carolina. The scope of the audit included a review of planning and funding for the relocation of administrative personnel from Building 703-A to Buildings 730-B and 730-1B between March 1 and October 1, 2003.

To accomplish the audit objective, we verified that a cost-benefit analysis had not been performed; reviewed the Department's estimate of utility and maintenance cost savings to be realized by vacating a portion of Building 703-A; and reviewed the results of a Westinghouse study, entitled *Alternative Analysis for the A/B Area Option Study*, published in December 2000.

The audit was conducted in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Accordingly, we assessed internal controls and performance measures established under the *Government Performance and Results Act of 1993* related to footprint reduction. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer generated data during this audit.

We discussed the audit results with the Acting Deputy Manager for Business, Savannah River Operations Office, on August 27, 2003. Since no formal recommendations are being made in this letter report, a formal response is not required. However, to ensure that future relocations are cost-effective, we suggest that your office prepare cost-benefit analyses to support relocation plans prior to execution. We appreciate the cooperation of your staff throughout the audit.


Jerry L. Brendlinger, Director
Environmental Audits Division
Office of Inspector General

cc: Assistant Secretary for Environmental Management
Team Leader, Audit Liaison Team, ME-2
Audit Liaison, Savannah River Operations Office

IG Report No. OAS-L-03-22**CUSTOMER RESPONSE FORM**

The Office of Inspector General has a continuing interest in improving the usefulness of its products. We wish to make our reports as responsive as possible to our customers' requirements, and therefore ask that you consider sharing your thoughts with us. On the back of this form, you may suggest improvements to enhance the effectiveness of future reports. Please include answers to the following questions if they are applicable to you:

1. What additional background information about the selection, scheduling, scope, or procedures of the audit or inspection would have been helpful to the reader in understanding this report?
2. What additional information related to findings and recommendations could have been included in this report to assist management in implementing corrective actions?
3. What format, stylistic, or organizational changes might have made this report's overall message more clear to the reader?
4. What additional actions could the Office of Inspector General have taken on the issues discussed in this report which would have been helpful?

Please include your name and telephone number so that we may contact you should we have any questions about your comments.

Name _____ Date _____

Telephone _____ Organization _____

When you have completed this form, you may telefax it to the Office of Inspector General at (202) 586-0948, or you may mail it to:

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Department of Energy
Washington, D.C. 20585
ATTN: Customer Relations

If you wish to discuss this report or your comments with a staff member of the Office of Inspector General, please contact Wilma Slaughter at (202) 586-1924.

United States Government

Department of Energy

memorandum

DATE: September 25, 2003

REPLY TO

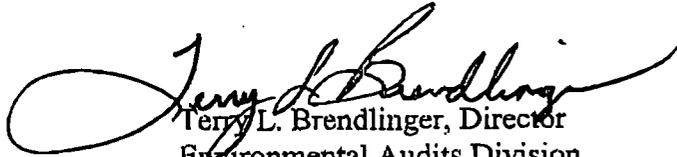
ATTN TO: IG-36 (A03SR035)

SUBJECT: Audit Report on "Relocation of Administrative Personnel from A-Area to B-Area at the Savannah River Site"

TO: Team Leader, Audit Liaison Team (ME-2.1)

Attached is the subject report. Since no recommendations were made, there is no need to track the audit in the Department's Audit Report Tracking System.

We appreciate your cooperation. If you have any questions, please contact Phillip Beckett at 865-576-7400.



Terry L. Brendlinger, Director
Environmental Audits Division
Office of Inspector General

Attachments

cc: Assistant Secretary, Office of Environmental Management
Manager, Savannah River Operations Office
Audit Liaison, Savannah River Operations Office

MONETARY IMPACT OF REPORT NO.: OAS-L-03-22

1. Title of Audit: Relocation of Administrative Personnel from A-Area to B-Area at the Savannah River Site

2. Division: EAD/SRA

3. Project No.: A03SR035

4. Type of Audit:
 Financial: _____ Performance: X
 Financial Statement _____ Economy and Efficiency _____
 Financial Related _____ Program Results _____
 Other (specify type): _____

5. Please report monetary savings identified in the report. If unable to quantify monetary savings at this time, please identify any potential future impact on audited activities/locations in the remarks section below.

FINDING		BETTER USED		QUESTIONED COSTS			MGT. POSITION	POTENTIAL BUDGET IMPACT
(A)	(B) Title	(C) One Time	(D) Recurring Amount Per Year	(F) Questioned Portion	(F) Unsupported Portion	(G) Total	(H) C-Concur N-Noncon U-Undec	(I) Y=Yes N=No
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TOTALS--ALL FINDINGS								

6. Remarks: In the absence of a cost-benefit study for the relocation of administrative personnel from Building 703-A to the B-Area Complex, and the partial closure of Building 703A, it is uncertain if the current plan is cost-effective.

7. Contractor: _____
 8. Contract No.: _____
 9. Task Order No.: _____

10. Approvals:
 Division Director/Date: Terry L. Brendlinger
 Technical Advisor & Date: [Signature]

Audit Project Office Summary (APS)

Report run on: September 25, 2003 2:31 PM

Audit History

Audit No: A03SR035

History Date: 25-SEP-03

History Text:

PB/ENTERED COMPLETED WITH REPORT DATE.

AUDIT DATABASE INFORMATION SHEETProject No.: A03SR0351. Title of Audit: "Footprint Reduction at the Savannah River Site"2. Report No./Date DAS-L-03-22 9/25/033. Management Challenge Area: 032 and 1204. Presidential Mgmt Initiative: N/A5. Secretary Priority/Initiative: N/A6. Program Code: MA7. Location/Sites: SRO8. Finding Summary: None

7 We discussed the audit results with the Savannah River Operations Office, Chief Financial Officer (DOE-SR), on (date), and since no formal recommendations are being made in this letter report, a formal response is not required. However, to ensure cost effectiveness, we suggested that the DOE-SR prior to executing any future movement activities, to prepare a cost-benefit analysis to support the movement plan in order to show that the move would be cost effective.

9. Keywords: <u>Accelerate</u>	<u>Federal</u>
<u>Administrative</u>	<u>Five Options</u>
<u>Analysis</u>	<u>GAO</u>
<u>A-Area</u>	<u>Recoup</u>
<u>B-Area</u>	<u>Reduce/Reduction</u>
<u>Cost</u>	<u>Study</u>
<u>Effective/Effectiveness</u>	<u>Savings</u>
<u>Closure</u>	<u>Savannah River Operations Office</u>
<u>DOE</u>	<u>SRS</u>
<u>DOE-SR</u>	<u>Top-to-Bottom Review</u>
<u>Environmental Management (EM)</u>	<u>Westinghouse/WSRC</u>

POTENTIALLY SENSITIVE INFORMATION

The following is a list of information considered to be potentially sensitive. If the information is detailed to such an extent that it would cause or could potentially cause damage to U.S. national security, citizens, or property, it cannot be included in our public reports. Therefore, when preparing your reports be sure to use this checklist to determine whether the report contains potentially sensitive information.

CATEGORIES/TYPES OF INFORMATION	YES	NO
Facilities		
➤ Detailed description and location of facilities to include maps, written directions, drawings, blue prints, photographs and the like		X
➤ Detailed descriptions and location of storage facilities for nuclear or other hazardous materials		X
➤ Detailed descriptions and location of personnel or facility support systems (e.g. water supply, electrical supply systems, communications systems, emergency response personnel/equipment)		X
➤ Detailed descriptions and locations of computer systems used to process, store, and transmit sensitive information.		X
➤ Environmental Impact Statements that provide the consequences for what is being studied.		X
➤ Any detailed information pertaining to other sites that has not been reviewed/approved by the other site.		X
Materials		
➤ Form and quantity of hazardous materials, (chemical, nuclear, biological)		X
➤ Vulnerabilities of materials to unauthorized access or destruction.		X
➤ Consequences of release of hazardous materials		X
➤ Detailed transportation related information (routes, maps, shipping means, containers).		X
Security/Safety		
➤ Detailed plans, procedures, communications, reaction times, capabilities that would allow someone to determine vulnerabilities of the site.		X
➤ Specific assessments, exercise results, evaluations for a particular site		X
➤ Specific personnel data identifying security/safety personnel		X
➤ Specific equipment and its potential uses		X

POTENTIALLY SENSITIVE INFORMATION

Assessments		
➤	Site specific vulnerability assessments	X
➤	Site specific safety assessments/analysis	X
➤	Site specific risk analyses	X
➤	Specific hazardous assessments (Dispersion models and analyses, accident analyses, or site hazards)	X
Personnel		
➤	Specific organization charts or phone lists identifying senior management/key personnel	X
➤	Specific personal data to include travel plans, meetings and the like	X
➤	Specific training materials that include sensitive information	X
Programs		
➤	Detailed information identifying sensitive programs, special projects, SAPs, WFO	X
➤	Reports detailing specific activities and/or results from programs and projects	X
➤	Information pertaining to specific programs at other facilities/sites that has not been cleared with the other sites for publication on a publicly accessible web site	X